



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
DARRELL V. MCGRAW, JR.
CONSUMER PROTECTION DIVISION
1-800-368-8808 or 304-558-8986

Press Release

FOR IMMEDIATE RELEASE

August 21, 2008

Contact: Norman Googel

Phone: (800) 368-8808

Attorney General McGraw Warns Public of Fake Internet Loan Collectors Impersonating Law Enforcement Officers and Extorting Money From Consumers

Attorney General Darrell McGraw took the extraordinary step today of warning the public about a band of scam artists making threats to consumers who allegedly obtained Internet payday loans in West Virginia and across the nation. The consumers they threaten never obtained a loan at all or paid it off years ago.

Internet payday loans are short-term loans or cash advances, usually for 14 days, made over the Internet via interactive web sites and secured by an agreement authorizing debits of the loan and all fees owed from the consumer's checking account. These loans typically charge interest rates ranging from 600-800 APR and are unlawful in West Virginia.

The scam artists, who speak English with a foreign accent, call themselves "U.S. National Bank," "Federal Investigation Bureau," "United Legal Processing" and numerous other phony names. They refuse to disclose real names and addresses and are believed to be operating "off the grid" from homes, automobiles, or from off shore locations or foreign countries, including India. Since the scammers have kept themselves purposely well hidden, thus far no law enforcement agencies have succeeded in locating or shutting them down.

The scammers typically pose as law enforcement officers, investigators, lawyers, and bankers and threaten consumers that they will be arrested for "bank fraud" or other fictitious crimes unless money is wired immediately. They simultaneously scare and confuse consumers by using meaningless legalese gobbledygook phrases such as, "We are downloading warrants against you" or "We are filing an affidavit against you." Consumers who don't immediately fall for the scam are warned, "Only God can help you now."

The scammers almost always call consumers at work several times a day, and tell their supervisors, "Your employee has committed fraud and is about to be arrested." Such threats have proven unsettling even to the most savvy consumers and employers who suspect the calls are fraudulent.

Attorney General McGraw stated, "Ordinarily my office protects consumers from fraudulent activities by seeking injunctions in court. But legal action cannot be taken until the scam artists can be located. Even then, it is unlikely that the persons behind the fraudulent calls and extortionist threats would obey a court order. In this case, the consumer's best defense is to be armed with the knowledge of the scam so that all demands for money can be resisted, despite the false but scary threats of arrest."

McGraw added, "Because the fraudsters make a special point of calling consumers repeatedly at work, employers must understand that the consumers are innocent victims of a criminal enterprise and cannot stop the calls from coming. I also wish to assure the citizens of West Virginia that my office will continue to do everything possible to locate and shut down the outlaw

debt collectors.”

More information about this fraudulent debt collection scheme is available at the Attorney General’s website, www.wvago.gov/internetloanscam. Any consumers who have been threatened by these persons or wish to file a complaint about another consumer matter may do so by calling the Consumer Protection Hot Line, 1-800-368-8808, or by obtaining a complaint form from the Attorney General’s web site.

For more information from ABCNews' website, [Click Here](#).

##